

MARSHALL AID AND ECONOMIC RECOVERY 105

Germany used thirteen times as much per acre as Austria; Holland sixteen times as much. There was great scope, therefore, for increased use. Austria now had her own production plant, and the price of imported fertilizer had scarcely risen half as much as food prices. The programme suggested that by 1953 over four times as much should be used as in 1937, and even then the economic optimum point would nowhere near have been reached. 241 185

The significance of Austria's forests is shown by the fact that between the Wars they provided a livelihood, directly or indirectly, for about one-sixth of the population. Lumber exports amounted in value to over 10 per cent of the country's total and, together with the exports of the dependent paper and cellulose industries, just about paid for Austria's most important food imports. After the War the forests were suffering from the excessive felling that had been carried out systematically during the past few years and from the fact that it had taken place in the more accessible areas. This double injury could only be put right by a policy of restraint extending over a number of years: by reducing cutting, and by concentrating on the less accessible, and therefore the less economic areas. In consequence the fundamental cure was, to a great extent, beyond the scope of the recovery programme. But the timber, paper, and cellulose industries had one feature in common: their equipment was very largely out-of-date and inefficient. Judged by modern standards, the methods employed in forestry and the timber industry were still primitive. The sawmills were mostly on a very small scale and could not be compared in efficiency with large up-to-date enterprises in other countries. The consumption of coal in Austrian cellulose factories was about one ton for every ton of cellulose produced, whereas a good Swedish factory used less than a third of the amount. Much of the equipment in the paper-mills was so obsolete that the competitive power of the Austrian paper industry in world markets was being undermined. Here ERP resources could be of great assistance, and funds were allocated for the introduction of modern equipment and modern methods into all three industries. 313 289 • [457]

d) Other industrial sectors.

652 Thirty million schillings were allocated
[393] in 1950 to the investment program of the electro
and cable industry. However, only 13 million have
been disbursed, while the rest was carried over to
1951. Although the program could not be fully
carried out, it was possible to make some necessary
improvements and modernizations in this branch.

[387] Of the means provided by counterpart funds
(73 million schillings) the chemical industry was
allocated 23.1 million schillings as late as December
1950. The major part of investments in this industry
was allotted to the nitrogen industry (the national-
ized Stickstoffwerke A.G., Linz) which is scheduled
to receive a total investment of 45 million schillings.
In the last quarter of 1950 a fertilizer bin with a
capacity of 50,000 tons was made ready and put into
operation. Moreover, an installation for the pro-
duction of ammoniated-sulphate with a capacity of
95,000 tons annually will be constructed and put into
operation in the summer of 1951. The nitrogen industry
is one of the most important earners of foreign
currency in Austria.

• [387] The Austrian pulp and paper industry (one
of the oldest and most efficient of Europe) is to re-
ceive a total of 490 million schillings for moderni-
zation according to the investment program 1950-52.
Of this, 220.2 million schillings (70.2 million schill-
ings, however, as late as in December) were allocated
out of ERP funds in the year 1950. The counterpart
funds and the plants' own funds were used to extend
existing boiler rooms and work space and to build new
ones. In the same way boilers, bleaching machines and
installation of new paper mill machinery to replace old
units were provided. Paper and pulp production has
reached the prewar level and can compete in the export
market despite sharp competition.

[288] The Austrian textile industry received 90.2
million schillings in 1950 from ERP funds. It was used
together with its own funds to provide new machinery.

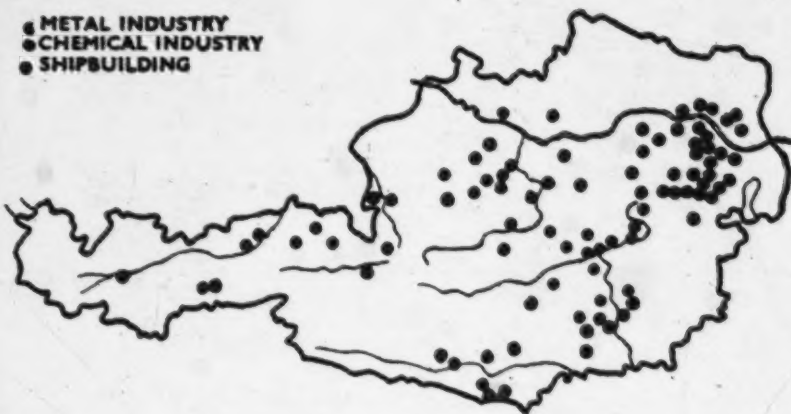
323 For the extension of the glass industry a
652 total of 95 million schillings was provided out of
counterpart funds. The glass industry received 14.1
million schillings in 1950 and, within the scope of
the release for December (which, however, will be ef-
fected as late as in 1951), 8.4 million schillings.

433raw iron was increased to about 1.04 million tons (as
[297]compared to 883,000 tons in the preceding year) and
the raw steel production to about 1.03 million tons (as
compared to 943,350 tons in the preceding year). This
increase in production was possible through an increase
in mining output, which amounted to approximately 2.37
million tons in 1951, as compared to 1.86 million tons
[392]in 1950. In the car industry, emphasis lay on the pro-
duction of tractors, heavy trucks, busses and motor-
cycles. Agricultural machinery production was 119 per
cent higher in 1950, lathes 110 per cent higher, ball-
bearings 327 per cent, nails and screws 56 per cent
more than in 1937. Although the electrical industry
[393]had suffered most seriously from war damages and dis-
mantling, and although various raw materials, mostly
of foreign origin (such as electric thin-gauge plate,
copper, lead and various special products), could be
obtained only with difficulty, the total production in
1950 was double that of 1937. This favorable development
has continued in 1951 despite the shortage in raw
[387]materials. The chemical industry reached a capacity far
higher than before the war in spite of extensive war
damages. The Linz Stickstoffwerke, for example, not
only cover the domestic demand for nitrogen but export
considerable quantities of nitrate of lime and phos-
phate. Production of the latter amounted to 525 tons
per month in 1938, during the first six months of 1951
it reached an average of 35,000 tons per month. The re-
sults in some finishing and consumer goods industries
lagged behind, but even so substantial increases could
be reached, especially in enterprises which are important
for export (for example, the paper industry). By 1950
[289]three per cent more paper was produced than in 1937.

[316] A remarkable increase was made in domestic
soft coal mining. The production of electric current
[377]rose from 3,050 million kwh, 1946, to 4,911 million kwh,
1950, an increase of 61 per cent. This remarkable in-
crease of capacity in 1950 is almost exclusively due to
water power, the production of which increased to 690
million kwh. In extending and financing electric power
projects differentiation must be made between finishing
started projects (water-power plants, steam plants,
transmission lines and transformers), new construction,
international projects, export, and projects of local
importance (see Wirtschaftsberichte No. 12, October 1951:
"Oesterreichische Wasserkräfte als Beitrag zur Energie-
versorgung Westeuropas," by Erich Heller and Oscar Vas).

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INDUSTRY

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